Botswana and Zimbabwe: A Tale of Two Countries

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"We used to look at Botswana as our poor cousin, but now we do all of our shopping there," said David Coltart, an opposition member of the Zimbabwean parliament, when I met him a few months ago. The Coltarts are doing relatively well. David's successful legal practice and parliamentary salary enable them to shop in Botswana — if only to buy basic necessities. Most of their countrymen do not have that option.

Zimbabwe suffers from an 80 percent unemployment rate and, according to the International Monetary Fund, an inflation rate exceeding 150,000 percent. Since 1994, the average life expectancy for women in Zimbabwe has fallen from 57 years to 34 years; among men it has dropped from 54 years to 37 years. Some 3,500 Zimbabweans die every week from the combined effects of HIV/AIDS, poverty, and malnutrition. Half a million Zimbabweans may have died since 2000, while some 3 million fled to South Africa alone.

A country that used to be called the "jewel" and the "breadbasket" of Africa is now an Orwellian nightmare. With the economy in ruins and political freedom eviscerated, Zimbabwe's state-run media rail against a phantom international conspiracy consisting of Western powers and led by "liar" George Bush, "gay" Tony Blair, "uncle Tom" Colin Powell, and "a slave to white masters" Condoleezza Rice.

I visited Zimbabwe twice during the 1990s. Back then, the country was in the midst of an earlier economic crisis caused by sluggish growth and excessive government spending. The IMF stepped in with an "economic structural adjustment program" worth hundreds of millions of dollars that, alas, bore little fruit. Still, I was shocked to see the extent of Zimbabwe's economic decline when I returned there last November.

I crossed the border between Zimbabwe and Botswana at the Kazangula junction, just a few miles from the spectacular Victoria Falls. While the other tourists drove up to the beautiful, though now almost completely empty, Elephant Hills Hotel that overlooks the falls, I remained in the town below to see for myself the outcome of Robert Mugabe's 27-year rule.

The once charming town of Victoria Falls that used to teem with tourists from around the world looked run-down and empty. About half of the shops were either empty or closed altogether. The main shopping center looked more like a warehouse. It offered few products thinly spread out on half-empty shelves — an obvious attempt to mask the widespread shortages of consumer goods. A handful of tourists, mostly young backpackers from Canada and Australia, wandered around the town center in futile search of edible food. Like them, I could not find meat or bread anywhere.

Few ordinary Zimbabweans would agree to talk to me about their problems. Those who did, looked over their shoulders, worried that someone from Mugabe's omnipresent Central Intelligence Organization might be listening. They are right to be afraid, for Zimbabwe today is a police state where armed gangs of government supporters harass, beat and kill members of the opposition with utter impunity.

How different, I thought, was Zimbabwe from Botswana, the latter of which is safe and increasingly prosperous. But what accounts for such striking differences between the two neighbors? It turns out that much of the difference stems from the degree of freedom that each populace enjoys.

It's the Economies, Stupid

Botswana, previously the Protectorate of Bechuanaland, gained independence from Great Britain in 1966. Her new president, Seretse Khama, a descendant of the local Bamangwato chiefs, received his education at South Africa's Fort Hare University and Oxford's Balliol College. In 1948, he married a white woman, Ruth Williams, who clerked at Lloyds in London. Their marriage was political dynamite that was, at first, opposed by both the traditional chiefs in the Bechuanaland and by the government in South Africa, Botswana's immensely more powerful southern neighbor whose white population had just elected a regime that wanted to increase racial segregation between whites and blacks. Fearing South Africa's negative reaction, the British government banned the Khamas from the Protectorate for almost a decade.

The racial prejudice that the pair encountered from both sides of the racial spectrum proved to be formative. While most regimes in post-independence Africa sent their white populations packing, Khama and his successors strove for racial harmony. As a result, Botswana benefited greatly from the human and financial capital of her large white community, which totals 7 percent of the overall population. It is surely a sign of Botswana's relative comfort with racial diversity that on April 1, 2008, Ian Khama, the first-born son of the country's founder, took over the reigns of power in Botswana, thus becoming the first half-white leader of an African democracy.

The elder Khama's other big contribution to the long-term stability and prosperity of Botswana was to maintain the tradition of public meetings (or *kgotlas*). This was the way in which the Africans made local decisions; it served to keep their chiefs honest and accountable. The exceptional humility of Botswana's politicians is just one positive consequence of such "grassroots democracy."

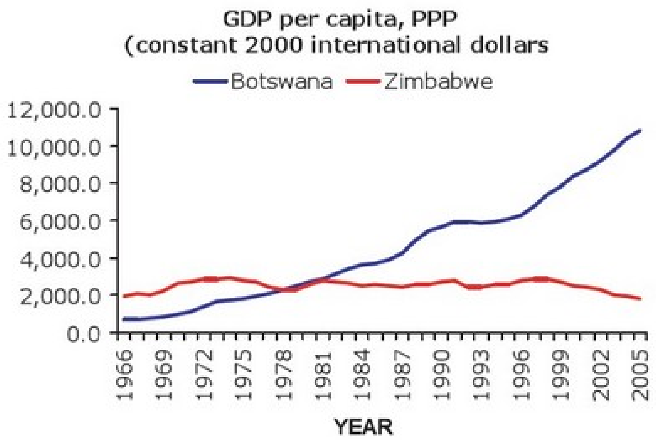
As Robert Guest of *The Economist* noted in his 2004 book, *The Shackled Continent*, "In the last 35 years, Botswana's economy has grown faster than any other in the world. Yet, cabinet ministers have not awarded themselves mansions and helicopters — and even the president has been seen doing his own shopping." Similarly, a game warden I spoke to in the Chobe National Park reminisced about standing behind the minister of education in the line for groceries. A shop manager recognized the minister and motioned her to the front of the line. She flatly refused.

In most African countries, even those that are nominally democratic, the leaders are so far removed from day-to-day public scrutiny that they behave with impunity and in an embarrassingly rapacious manner. Of course, Botswana's free media plays a vital role in keeping her politicians honest. My visit to Botswana, to give one example, coincided with President Festus Mogae's last "state of the nation" address. One of the country's weekly newspapers, Mbegi, carried a page-long response to the president written by the leader of the opposition, who railed against the government's "laissez-faire" policies. Though I disagreed with the substance of his arguments, I was happy to see his freedom of expression honored, especially considering that Botswana has been ruled by the same political party, the Botswana Democratic Party, since 1965.

That brings me to probably the most important legacy of Khama's presidency: a limited government and one of the freest economies in Africa. (In its 2007 *Economic Freedom of* *the World* report, Canada's Fraser Institute ranked Botswana's economic freedom on par with that of Belgium and Portugal.) According to Scott Beaulier, an economist at Beloit College, "Khama adopted pro-market policies on a wide front. His new government promised low and stable taxes to mining companies, liberalized trade, increased personal freedoms, and kept marginal income tax rates low to deter tax evasion and corruption."

But why did Khama chose to embrace the free market and limited government at a time when Marxism seemed to be on an unstoppable march in other African countries? I can only hypothesize that a prescient leader like Khama would have been aware of the failure of African socialism as early as 1966, the year of Botswana's independence. After all, in February 1966, Kwame Nkrumah, the Marxist prime minister and later president of Ghana, was ousted in a coup amid economic decline and political repression. Moreover, Khama, who came to power peacefully, was not beholden to the Soviet Union or Maoist China for military, financial, and intellectual support, while many African liberation movements were. In fact, Khama seems to have had a healthy regard for the British parliamentary system and common law.

Economic openness served Botswana well. Between 1966 and 2006, its average annual compound growth rate of GDP per capita was 7.22 percent — higher than China's 6.99 percent. Its GDP per capita (adjusted for inflation and purchasing power parity) rose from $671 in 1966 to $10,813 in 2005. Unfortunately, the high GDP growth rate has not resulted in increased life expectancy, which, in a country ravaged by the HIV/AIDS pandemic, declined from 62 years in 1980 to 35 years in 2005.



The Tragedy of Robert Mugabe

It was with some apprehension that Ian Smith — the last white prime minister of Rhodesia, who once promised to maintain the white rule in that country for 1,000 years — answered the summons to meet with Robert Mugabe, the newly-elected prime minister of Zimbabwe. After all, the Marxist former guerilla leader had declared that he would have Smith publicly hanged in the capital's main square. Instead, Smith was greeted with "a warm handshake and a broad smile." In his own words, Smith was "completely disarmed." He rushed home to admit to his wife that maybe he had been wrong about Mugabe. "Here's this chap, and he was speaking like a sophisticated, balanced, sensible man. I thought: if he practices what he preaches, then it will be fine."

It was 1980, and Zimbabwe had just gained independence from Britain. White minority rule had ended and so had a conflict between blacks and whites that cost some 30,000 lives. The election gave Mugabe's Zimbabwe African National Union (ZANU) a parliamentary majority, but Zimbabwe had an independent judicial system and a constitution that protected minority rights. It also had one of the continent's largest economies. Zimbabwe seemed destined to become an African success story.

Things turned out very differently. As early as 1982, Mugabe turned on his onetime ally Joshua Nkomo of the Zimbabwe Africa Peoples Union (ZAPU). Mugabe unleashed his special forces — trained by the North Koreans — on Nkomo's supporters in the Matabeleland, killing some 20,000 in the process. Nkomo was forced to agree to a merger of ZAPU with Mugabe's ZANU. In return, Nkomo received the largely ceremonial title of Zimbabwe's vice president.

Shamefully, the Western world not only ignored the massacre of the Matabeles but proceeded to send Mugabe hundreds of millions of dollars in foreign aid. Similarly, the Western media ignored Mugabe's attack on Zimbabwe's democratic institutions. Apparently Mugabe's relentless monopolization of power was incompatible with the simplistic portrayal of the Zimbabwean leader as an African freedom fighter.

Mugabe's megalomania grew as time went by. Omnipresent at international conferences, where foreign dignitaries continued to treat him like a celebrity, he came to see himself as a leader of global importance. When Nelson Mandela, the moral voice of the African continent, won election as South Africa's president in 1994, it irked Mugabe greatly. He saw Mandela as an upstart and flatly refused to treat him with deference.

To show his independence and strength, Mugabe ordered the Zimbabwean military to intervene in the Congolese civil war. Following Mobutu Sese Seko's flight from the Democratic Republic of Congo in 1997, the country descended into chaos. Congo's new strongman, Laurent Kabila, was faced with an internal rebellion that drew military responses from Namibia, Zimbabwe, Angola, and Chad on Kabila's side; and from Uganda, Rwanda, and Burundi on rebels' side. (It also attracted an assortment of mercenary forces from around the world.) The conflict, which turned out to be Africa's largest ever, cost Zimbabwe $15 million per month and tied up one third of Mugabe's armed forces.

In return for Mugabe's help, Kabila rewarded the Zimbabwean president and his generals with mining concessions in the southern part of the Congo (chiefly the Katanga and Kasai provinces). The top brass of the Zimbabwean military, including General Vitalis Zvinavashe, commander of the armed forces, made small fortunes and developed a taste for riches that Mugabe would later find so difficult to satisfy.

Back home, however, the war was very unpopular, and the Zimbabwean population, which paid the military's bills, threw its support behind the newly-founded Movement for Democratic Change (MDC), led by a former trade union boss named Morgan Tsvangirai. It was Tsvangirai's MDC that, in a 1999 referendum, defeated Mugabe's plans to change the constitution and extend his rule. Furious at his defeat, Mugabe turned on Zimbabwe's white commercial farmers, whom he suspected of giving financial backing to the MDC.

Over the next few years, almost all of the country's 4,000 white-owned farms were invaded by state-organized gangs. Some of the farmers who resisted the land seizures were murdered, while others fled abroad. Mugabe claimed that the land would be given to the landless masses. In fact, much of the best land was given to his cronies, who proceeded to enrich themselves with such gusto that Mugabe had to plead with them "to choose one [farm] and give up the rest to the government."

The new owners showed little aptitude for farming, however. The agricultural sector soon collapsed, and with it most of Zimbabwe's tax revenue and foreign currency reserves. Those parts of the economy that processed the agricultural produce soon followed, as did the banking sector, which relied on farms as collateral for future lending. To meet its obligations to domestic and foreign creditors, the government ordered the Reserve Bank of Zimbabwe (RBZ) to print more money, sparking the first hyperinflation of the 21st century.

During my visit to Zimbabwe in November 2007, the black market exchange rate between the U.S. dollar and the Zimbabwean dollar was one to 1.3 million. By April 2008, that rate rose to one U.S. dollar to 200 million Zimbabwean dollars. In November 2007,the largest banknote was worth 200,000 Zimbabwean dollars. In April 2008, the RBZ started printing notes worth 250 million Zimbabwean dollars. However, until this month, the official exchange rate remained one U.S. dollar to 30,000 Zimbabwean dollars. Many well-connected members of the ruling elite have made fortunes by buying foreign currencies from the RBZ at official exchange rates and then selling them on the black market and pocketing the difference.

The ripple effect that farm seizures created turned into a tsunami that, in a few years, washed away some 60 years of gradual economic improvements. Mugabe's answer to the falling economy was to increase state patronage and the intensity of the looting. Mugabe, the Savile-Row-suit-wearing dictator, and Grace, his shop-till-you-drop wife, paid a Serbian construction company $12 million for a 25-bedroom house in a posh suburb of Harare that comes with two artificial lakes and a small army of bodyguards. His government now consists of 45 ministers and deputy ministers — including the "minister of information and publicity" — each of whom is entitled to a variety of perks, such as SUVs and (formerly white-owned) farms.

The government went on a shopping spree in 2006 and again earlier in 2007, providing influential police officers, ranking assistant commissioners, and army lieutenants with hundreds of imported vehicles. (Guaranteeing the loyalty of army and police officers does not come cheaply.) With the economy in shambles and the currency debased, Mugabe announced an "indigenization" program: the government will confiscate majority stakes in all private enterprises owned by non-black Zimbabweans. Ostensibly, those enterprises will be given to black Zimbabweans. In reality, they are certain to be distributed among government officials, and also among army and police personnel, without whose support Mugabe's regime cannot survive.

In November 2007, a mere two months after the indigenization measure was adopted by the Zimbabwean parliament, Mugabe declared his intention to confiscate 25 percent of shares in all non-state mining companies. Not surprisingly, the freedom ranking of the Zimbabwean economy plummeted. The Fraser Institute's 2007 *Economic Freedom of the World* report, for example, found Zimbabwe to be the least free economy out of the 137 economies surveyed.

On March 29, 2008, Zimbabwe held parliamentary and presidential elections. As most people expected, the elections were rigged in Mugabe's favor. The country has no free media and no freedom of expression or assembly. Prior to the elections, members of the opposition were persecuted, beaten, and, in some cases, tortured. Remarkably, in spite of all the intimidation; in spite of the extra ballots that the government printed before the elections; and in spite of the tens of thousands of dead people who "voted" for Mugabe and his ZANU-PF — the opposition party won.

However, Mugabe refuses to go. Ignoring the groundswell of public disgust with his economic policies and the corruption of his top officials, Mugabe has unleashed his repressive state apparatus against the opposition, driving many of their leaders into exile. As I write, the economic and political situation in Zimbabwe is deteriorating still further and could yet break out into widespread violence.

After Mugabe

As I returned to Botswana last November, the tourists whom I accompanied on the trip to Victoria Falls seemed content. The shops in Zimbabwe may have been empty, but the country remains filled with amazing natural beauty. In contrast to the other travelers, I felt relieved to leave behind a police state that makes it impossible for people to talk freely with one another: a state where taking photos of an empty grocery store can land you in prison. I was saddened by the sight of yet another African country that has failed to live up to its promise and collapsed into poverty, but I was also hopeful, for before us was Botswana: an increasingly prosperous market democracy whose citizens enjoy safety and political stability.

In his 2004 book, *South Africa: The First Man*, *The Last Nation*, R.W. Johnson, an erstwhile Oxford University professor, points out that national liberation movements in Africa generally do not give up power willingly. Men who win power through the barrel of a gun tend to develop ownership mentalities and treat their countries as private fiefdoms. Mugabe represents a generation of African leaders who came to power through the barrel of a gun. More often than not, men like that die in office or are forced out by a coup.

At 84, Mugabe is an old and, some believe, increasingly senile man. He may die in office or be forced out. The Zimbabwean diaspora is abuzz with rumors of flight plans and comfortable exile in Malaysia or Namibia. There is talk of Far Eastern bank accounts stuffed with treasure. Either way, Mugabe will be gone one day. When that happens, the new leader of Zimbabwe should look across the western border to Botswana. He will see that freedom and rising prosperity are possible — even in Africa.

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